

only an indirect way of scaling the interest on the consolidated five per cents, to four per cent.¹ The depreciation of the paper currency became so great as to drive all subsidiary coins out of the country and make it difficult to get change for a note of a few lires. Twenty million lires was issued during 1894 in nickel pieces of twenty centimes, and the government congratulated themselves on a profit of 17,500,000 lires by means of the seignorage.

The flight of subsidiary money from Italy carried it to France, Switzerland, and, to some extent, to Belgium, where it passed in ordinary transactions upon the same terms as the money of those countries. So much Italian silver drifted into Southern France that the French government made an investigation of the amount received on a given day at some of the leading banks and found that Italian pieces constituted 28.78 per cent, of the entire subsidiary circulation. Belgian, Swiss, and Greek pieces constituted 12.30 per cent., so that the proportion of French coins was only 58.92 per cent. Italian subsidiary coin constituted more than seventy per cent, of the circulation in Savoie and the Maritime Alps and from 45 to 60 per cent, in eight other departments between the Rhone and the Alps.³ A conference of the states of the I[^]atin Union, held at Paris, reached an agreement on November 15, 1893, by which the Italian subsidiary coins were to cease in four months to be received by public depositaries in France. Those in the Bank of France were, upon presentation to the Italian government, to be redeemed half in gold and half by bills of exchange. The amount thus presented up to the close of 1894 was 57,222,279 lires.³ The policy adopted by the Italian government for preventing the continued exportation of the silver, of locking it up in the Treasury and issuing small notes against it, was sanctioned by the conference upon the condition that the subsidiary

¹ Le Marche Financier en 1893~%, 136.

² Le Marche Financier en 1894, 348-68.

³ Assemble G[^]nerale des Actionnaires de la Banque de France du 31 Janvier 1895, P- 9-